

***DIVISION OF PUBLIC HEALTH
CONTRACT AGREEMENT
DPH Contract #***

Contract Preamble

This Agreement is entered into for the period **January 1, 2003 through December 31, 2003**, by and between the State of Wisconsin represented by its **Division of Public Health** of the Department of Health and Family Services, whose principal business address is 1 West Wilson Street, P.O. Box 2659, Madison, Wisconsin 53701-2659, hereinafter referred to as contractor, and, _____, whose principal business address is _____, hereinafter referred to as Contractee.

The Contractee address above is the address to which payments shall be mailed. If any legal notices required to be sent to the Contractee in the execution of this Agreement should be sent to an address different from the Contractee address above, that address should be provided below:

Whereas, the Contractor wishes to purchase services from the Contractee as it is authorized to do by Wisconsin law; and

Whereas, the Contractee is engaged in furnishing the desired services;

Now, therefore, the Contractor and the Contractee agree as follows:

I. SERVICES TO BE PROVIDED

The Contractee agrees to provide services consistent with the purposes and conditions of the objectives that it has agreed to attain within the contract period. The Contractee also agrees to provide to the Contractor documentation (as agreed to in negotiations with the Contractor) of the attainment of those objectives no later than 30 days after the end of the contract period or as specified in Exhibit II. A detailed description of the objectives to be attained and the documentation associated with that attainment is part of this Agreement as listed in Exhibits I and II, which are attached to this Agreement.

II. CONTRACT ADMINISTRATION

The Contractor's contract administrator is _____ of the Division of Public Health, whose principal business address is _____, _____ . The telephone number of the Contractor's Contract Administrator is () _____. In the event that the Contract Administrator is unable to administer this Contract Agreement, Contractor will contact the Contractee and designate a new Contract Administrator.

The Contractee's Contract Administrator is _____, whose principal business address is _____ . The telephone number of the Contractee's Contract Administrator is () _____. In the event that the Contract Administrator is unable to administer this Contract Agreement, the Contractee will contact the Contractor and designate a new Contract Administrator.

III. PAYMENT LIMIT

The Contractor agrees to pay the Contractee in accordance with the terms and conditions of this Agreement, an amount not to exceed \$ _____. This amount is contingent upon receipt of sufficient funds by the Contractor(s).

The Contractor will not make payments for costs in excess of the Contract Agreement amounts or for costs incurred outside the contract period. Further, the Contractor will not make payments for costs that are inconsistent with applicable state and federal allowable cost policies.

IV. PAYMENT PROCESS

1. The Contractor, following execution of this Contract Agreement, shall pay to the Contractee **one-twelfth** of the contract amount for each of the **first three months** of this Contract Agreement. If any prepayments are made, these prepayments may be recovered from future payments (see paragraph 2 below) due the Contractee under this Agreement if the Contractor determines that such prepayments are in excess of the Contractee's reported expenses.
2. Payments will be made monthly based on expense reports submitted by the Contractee on the DMT-855 CARS Expenditure Report. Claims for reimbursement of allowable costs shall be submitted to the Contractor no later than the fifteenth (15th) day of the month following the month in which costs are incurred. The Contractee shall report, by Contractor assigned profile number, all allowable costs plus any required matching funds stipulated in the reporting instructions for this grant which are incorporated by reference. See DHFS *Allowable Cost Policy Manual*. (Available from OPRA at address in Section XII)
3. The Contractee shall submit the request for reimbursement (DMT-855) to the BFS/CARS Unit, Department of Health and Family Services, Division of Management and Technology, P.O. Box 7850, Madison, Wisconsin 53707-7850, with one copy to the Contract Administrator. Payments and reported expenses will be reconciled by the Department in accordance with state procedures.
4. If the Contractor determines, after notice to the Contractee and opportunity to respond, that payments were made that exceeded allowable costs, the Contractee shall refund the amount determined to be in excess within 30 days of invoicing or notification by the Department. The Contractor may, at its sole discretion, effectuate such refund by withholding money from future payments due the Contractee at any time during or after the contract period. The Contractor also may recover such funds by any other legal means.
5. If the Contractee has failed to maintain quality criteria or proposed progress towards achievement of Contract objectives as determined by the Contractor, the Contractor can make reductions in the monthly payment pursuant to Section XVI.
6. All payments shall be released by the Department on the last business day before the fifth day of the month for municipalities, or the last business day of each month for non-municipalities, with the exception that the payment that would normally be released on the last working day of June shall be released instead on the first working day of July. Checks will be mailed to the Contractee's principal business address unless the Contractee requests, in writing, subject to approval, that the Department mail the checks to a different address.

V. PROGRAM REPORTING

1. The Contractee shall comply with the program reporting requirements of the Contractor as specified during the negotiation period and/or as stated in Exhibits I and II. The required reports shall be forwarded to the Contractor's Contract Administrator according to the schedule as specified in Exhibits I and II.
2. Failure to submit the program reports specified in the reporting instructions may result in the Contractor rendering sanctions pursuant to Section XVI of this contract.

VI. STATE AND FEDERAL RULES AND REGULATIONS

1. The Contractee agrees to meet state and federal laws, rules and regulations, and program policies applicable to this Contract Agreement.
2. The Contractee agrees to comply with Public Law 103-227, also known as the Pro-Children Act of 1994, which prohibits tobacco smoke in any portion of a facility owned or leased or contracted

for by an entity which receives federal funds, either directly or through the State, for the purpose of providing services to children under the age of 18.

3. Affirmative Action Plan/Civil Rights Compliance

Affirmative Action Plans

- A. For Agreements of twenty-five thousand (\$25,000) or more, Contractee shall submit a written Affirmative Action (AA) Plan, which may cover a two-year period. Contractees with an annual work force of less than twenty-five employees and Contractees who are governmental entities are excluded from the requirement to submit an AA Plan.
- B. "Affirmative Action Plan" is a written document that details an affirmative action program. Key parts of an affirmative action plan are: (1) a policy statement pledging nondiscrimination and affirmative action employment, (2) internal and external dissemination of the policy, (3) assignment of a key employee as the equal opportunity officer, (4) a work force analysis that identifies job classifications where representation of women, minorities and the disabled is deficient, (5) goals and timetables that are specific and measurable and that are set to correct deficiencies and to reach a balanced work force, (6) revision of employment practices to ensure that they do not have discriminatory effects, and (7) establishment of internal monitoring and reporting systems to measure progress regularly.
- C. In addition, for Agreements of ten thousand (\$10,000) or more, regardless of work force size, Contractee shall conduct, keep on file, and update annually, a separate and additional accessibility self-evaluation of all programs and facilities, including employment practices for compliance with ADA regulations, unless an updated self-evaluation under Section 504 of the Rehabilitation Act of 1973 exists which meets the ADA requirements. Contractees are to contact the Department's Affirmative Action/Civil Rights Compliance Office, Department of Health and Family Services, 1 W. Wilson Street, Room 672, P.O. 7850, Madison, Wisconsin 53707-7850, for technical assistance on Equal Opportunity.

Civil Rights Compliance

- A. For Agreements for the provision of services to clients, the Contractee must comply with Civil Rights requirements. Contractees with an annual work force of less than ten employees, regardless of Agreement amount, and Contractees with Agreements less than \$10,000 are not required to submit a Civil Rights Compliance Action Plan, but must, at a minimum, submit Civil Rights Compliance Assurances. For Agreements of \$10,000 or more, Contractee shall submit a written Civil Rights Compliance (CRC) Action Plan, which may cover a two-year period.
- B. The Contractee assures that it has submitted to the Contractor's Affirmative Action/ Civil Rights Compliance Office a current copy of its two-year Civil Rights Compliance Action Plan for Meeting Equal Opportunity Requirements under Title VI and VII of the Civil Rights Act of 1964, Sections 503 and 504 of the Rehabilitation Act of 1973, Title VI and XVI of the Public Health Service Act, the Age Discrimination in Employment Act of 1967, the Age Discrimination Act of 1975, the Omnibus Reconciliation Act of 1981, the Americans with Disabilities Act (ADA) of 1990, and the Wisconsin Fair Employment Act. If a Plan was reviewed and approved during the previous year, a plan update must be submitted for this Agreement period.
 - 1) No otherwise qualified person shall be excluded from participation in, be denied the benefits of, or otherwise be subject to discrimination in any manner on the basis of race, color, national origin, sexual orientation, religion, sex, disability or age. This policy covers eligibility for and access to service delivery, and treatment in all programs and activities. All employees of the Contractee are expected to support goals and programmatic activities relating to nondiscrimination in service delivery.

- 2) No otherwise qualified person shall be excluded from employment, be denied the benefits of employment or otherwise be subject to discrimination in employment in any manner or term of employment on the basis of age, race, religion, sexual orientation, color, sex, national origin or ancestry, handicap (as defined in Section 504 and the Americans with Disabilities Act), arrest or conviction record, marital status, political affiliation, or military participation. All employees are expected to support goals and programmatic activities relating to non-discrimination in employment.
 - 3) The Contractee shall post the Equal Opportunity Policy, the name of the Equal Opportunity Coordinator and the discrimination complaint process in conspicuous places available to applicants and clients of services, and applicants for employment and employees. The complaint process will be according to Contractor standards and made available in languages and formats understandable to applicants, clients and employees. The Contractor will continue to provide appropriate translated program brochures and forms for distribution.
 - 4) The Contractee agrees to comply with the Contractor's guidelines in the Civil Rights Compliance Standards and a Resource Manual for Equal Opportunity in Service Delivery and Employment for the Wisconsin Department of Health and Family Services, its Service Providers and their Subcontractors (October 1997 Edition).
 - 5) Requirements herein stated apply to any subcontracts or contracts. The Contractee has primary responsibility to take constructive steps, as per the CRC Standards and Resource Manual, to ensure the compliance of its subcontractors. However, where the Contractor has a direct contract with another Contractee, the Contractee need not obtain a Subcontractor or Subcontractee Civil Rights Compliance Action Plan or monitor that Subcontractee.
 - 6) The Contractor will monitor the Civil Rights Compliance of the Contractee. The Contractor will conduct reviews to ensure that the Contractee is ensuring compliance by its subcontractors or Contractees according to guidelines in the CRC Standards and Resource Manual. The Contractee agrees to comply with Civil Rights monitoring reviews, including the examination of records and relevant files maintained by the Contractee, as well as interviews with staff, clients, applicants for services, subcontractors, Contractees, and referral agencies. The reviews will be conducted according to Department procedures. The Contractor will also conduct reviews to address immediate concerns of complainants.
 - 7) The Contractee agrees to cooperate with the Contractor in developing, implementing and monitoring corrective action plans that result from complaint investigations or monitoring efforts.
- C. The Contractee agrees that it will: (1) hire staff with special translation or sign language skills and/or provide staff with special translation or sign language skills training, or find qualified persons who are available within a reasonable period of time and who can communicate with limited- or non-English speaking or speech- or hearing-impaired clients at no cost to the client; (2) provide aids, assistive devices and other reasonable accommodations to the client during the application process, in the receipt of services, and in the processing of complaint or appeals; (3) train staff in human relations techniques, sensitivity to persons with disabilities and sensitivity to cultural characteristics; (4) make programs and facilities accessible, as appropriate, through outstations, authorized representatives, adjusted work hours, ramps, doorways, elevators, or ground floor rooms, and Braille, large print or taped information for the visually or cognitively impaired; (5) post and/or make available informational materials in languages and formats appropriate to the needs of the client population.

VII. SUBCONTRACTS

1. The Contractee may subcontract all or part of this Agreement as agreed to during the contract negotiation session(s). The Contractor reserves the right of approval for any subcontracts and the Contractee shall report information relating to subcontracts to the Contractor upon request. A change in a subcontractor or a change from direct service provision to a subcontract may only be executed with the prior written approval of the Contractor. In addition, the Contractor approval may be required regarding the terms and conditions of the subcontracts, and the subcontractors selected. Approval of the subcontractors will be withheld if the Contractor reasonably believes that the intended subcontractor will not be a responsible provider in terms of services provided, objectives to be attained or required quality criteria.
2. The Contractee retains responsibility for fulfillment of all terms and conditions of this Agreement when it enters into sub-contractual Agreements and will be subject to enforcement of the terms and conditions of this Contract Agreement.
3. Recoupment of Contractor payments to the Contractee for failure to comply with either the attainment of contract objectives or the maintenance of quality criteria by either the Contractee or its subcontractor(s) will be made from the Contractee.

VIII. GENERAL PROVISIONS

1. Any payments of monies to the Contractee by the Contractor for services provided under this Contract Agreement shall be deposited in a bank with Federal Deposit Insurance Corporation (hereinafter FDIC) insurance coverage. Any balance exceeding FDIC coverage must be collaterally secured.
2. The Contractee shall conduct all procurement transactions in a manner that provides maximum open and free competition.
3. The Contractee shall not engage the services of any person or persons concurrently employed by the State of Wisconsin, including any Department, commission or board thereof, to provide services relating to this Contract Agreement without the written consent of the employer of such person or persons and of the Contractor.
4. This Contract Agreement is voidable if the Contractee is a state public official, a member of a state public official's immediate family, or an organization in which the official or immediate family member owns or controls at least 10% of the outstanding equity, voting rights, or outstanding indebtedness and failed to make the written disclosure required under sec. 19.45 Stats. This disclosure is required to be made to the State of Wisconsin Ethics Board, 44 East Washington Avenue, Suite 601, Madison, Wisconsin 53703-2800, [Telephone (608) 266-8123].
5. If Contractee or any subcontractor is a corporation other than a Wisconsin corporation, it must demonstrate prior to providing services under this contract Agreement that it possesses a certificate of authority from the Wisconsin Secretary of State, and must have, and continuously maintain, a registered agent, and otherwise conform to all requirements of Chapters 180 and 181, Wisconsin Statutes, relating to foreign corporations.

IX. ACCOUNTING REQUIREMENTS

1. For Agreements of twenty-five thousand dollars (\$25,000) or more, the Contractee shall maintain a uniform double entry, full accrual accounting system and a financial management information system in accordance with Generally Accepted Accounting Principles. (See DHFS *Allowable Cost Policy Manual*, available upon request from Contract Administrator or from the Office of Program Review and Audit, Department of Health and Family Services, 1 West Wilson Street, P.O. Box 7850, Madison, Wisconsin 53707-7850.)
2. For Agreements of less than twenty-five thousand dollars (\$25,000), the Contractee shall at least maintain a simplified double entry bookkeeping system as defined in the Department's *Allowable Cost Policy Manual*.

3. The Contractee's accounting system shall allow for accounting for individual grants, permit timely preparation of expenditure reports (required by the Contractor as defined in Section IV), and support expenditure reports submitted to the Contractor.
4. The Contractee shall reconcile costs and match to expenses recorded in the Contractee's accounting or simplified bookkeeping system on an ongoing and periodic basis. The Contractee agrees that reconciliation will be completed at least quarterly, will be documented, and supplied to the Contractor upon request. The Contractee shall retain the reconciliation documentation in accordance with the records retention requirement specified in Section XIV.

X. CHANGES IN ACCOUNTING PERIOD

1. The Contractee's accounting records are maintained on a fiscal year basis, beginning on the date indicated on the CARS Payment Information form attached to this contract. During the contract period, the accounting period may only be changed with prior written approval from the Contractor. The Contractor may approve a change in accounting period only if the Contractee has a substantial, verifiable business reason for changing the accounting period and agrees to submit a close-out audit, as defined in section (XII, 8), within 90 days after the first day of the new accounting period.
2. Proof of Internal Revenue Service approval shall be considered verification that the Contractee has a substantial business reason for changing its accounting period.
3. A change in accounting period shall not relieve the Contractee of reporting or audit requirements of this Agreement. An audit meeting the requirements of this Agreement shall be submitted within 90 days after the first day of the start of the new accounting period for the short accounting period and within 180 days of the close of the new accounting period for the new period. For purposes of determining audit requirements, expenses and revenues incurred during the short accounting period shall be annualized.

XI. PROPERTY MANAGEMENT REQUIREMENTS

1. Property insurance coverage will be provided by the Contractee for fire and extended coverage of any equipment funded under this Contract Agreement which the Contractor retains ownership of, and which is in the care, custody and control of the Contractee.
2. The Contractor shall have all ownership rights in any hardware funded under this Agreement or supplied by the Contractor and in any software or modifications thereof and associated documentation designed, developed or installed as a result of this contract Agreement. The Contractee is responsible for keeping all of Contractor's property secure from theft, damage or other loss.
3. The Contractee agrees that if any materials are developed under this contract Agreement, the Contractor shall have a royalty-free, non-exclusive, and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use, such materials. Any discovery or invention arising out of, or developed in the course of work aided by this Contract Agreement, shall be promptly and fully reported to the Contractor.

XII. AUDIT REQUIREMENTS

1. Requirement to Have an Audit: Unless waived by the Contractor, the Contractee shall submit an annual audit to the Contractor if the total amount of annual funding provided by the Contractor (from any and all of its Divisions taken collectively) through this and other contracts is \$25,000 or more. In determining the amount of annual funding provided by the Contractor, the Contractee shall consider both: (a) funds provided through direct contracts with the Contractor; and (b) funds from the Contractor passed through another agency which has one or more contracts with the Contractee.
2. Audit requirements: The audit shall be performed in accordance with generally accepted auditing standards, s.46.036, Wis. Stats., *Government Auditing Standards*, and other provisions in this contract. In addition, the Contractee is responsible for ensuring that the audit complies with other

standards that may be applicable depending on the type of Contractee and the nature and amount of financial assistance received from all sources:

- Federal OMB Circular A-133 "Audits of States, Local Governments and Nonprofit Organizations," which applies only to Contractees that expend \$300,000 from **all** federal funding sources (this contract and other contracts, direct or indirect, from this Contractor or another), during a Contractee's fiscal year.
- *State Single Audit Guidelines (SSAG)*, which are applicable to local governments having A-133 audits; and/or
- *Provider Agency Audit Guide (PAAG)*. All Contractees who do not meet the requirements of the SSAG shall have audits in conformance with the PAAG.

3. Reporting package: The Contractee shall submit to the Contractor a reporting package which includes the following:
 - A. Financial statements and other audit schedules and reports required for the type of audit applicable to the Contractee.
 - B. Summary schedule of prior year findings and the status of addressing these findings.
 - C. The Management Letter (or similar document conveying auditor's comments issued as a result of the audit) or written assurance that a Management Letter was not issued with the audit report.
 - D. Management responses/corrective action plan for each audit issue identified in the audit.
 - E. If program specific cost-based information is needed, the Contractor may require it as part of the reporting package.
4. Submitting the Reporting Package: The Contractee shall submit the required reporting package to the Contractor either: (1) within 13 months of the end of the Contractee's fiscal year if the Contractee is a local government; or (2) within 180 days of the end of the Contractee's fiscal year for non-governmental Contractee agencies. Two copies of the audit report must be sent to the Contractor at the following address:

Office of Program Review and Audit
Department of Health and Family Services
P.O. Box 7850
Madison, WI 53707-7850
Telephone: (608) 266-2924

5. Access to auditor's work papers: When contracting with an audit firm, the Contractee shall authorize its auditor to provide access to work papers, reports, and other materials generated during the audit to the appropriate representatives of the Department. Such access shall include the right to obtain copies of the work papers and computer disks, or other electronic media, upon which records/working papers are stored.
6. Access to Contractee records: The Contractee shall permit appropriate representatives of the Department and/or the Contractor to have access to the Contractee's records and financial statements as necessary to review Contractee's compliance with the federal and state requirements for the use of the funding.
7. Failure to comply with the requirements of this section: In the event that the Contractee fails to have an appropriate audit performed or fails to provide a complete audit report to the Contractor within the specified timeframes, in addition to applying one or more of the sanctions available in Section XVI of this contract, the Contractor may:
 - A. Conduct an audit or arrange for an independent audit of the Contractee and charge the cost of completing the audit to the Contractee;

- B. Charge the Contractee for all loss of Federal or State aid or for penalties assessed to the Contractor because the Contractee did not submit a complete audit report within the required time frame; and/or
 - C. Disallow the cost of audits that do not meet these standards.
8. Close-out Audits:
- A. A contract specific audit of an accounting period of less than twelve (12) months is required when a Contract Agreement is terminated for cause, when the Contractee ceases operations or when the Contractee changes its accounting period (fiscal year). The purpose of the audit is to closeout the short accounting period. The required closeout contract specific audit may be waived by the Contractor upon written request from the Contractee, except when the Contract Agreement is terminated for cause. The required closeout audit may not be waived when a Contract Agreement is terminated for cause.
 - B. The Contractee shall ensure that its auditor contacts the Contractor prior to beginning the audit. The Contractor, or its representative, shall have the opportunity to review the planned audit program, request additional compliance or internal control testing and attend any conference between the Contractee and the auditor. Payment of increased audit costs, as a result of the additional testing requested by the Contractor, is the responsibility of the Contractee.
 - C. The Contractor may require a closeout audit that meets the audit requirements specified in XII, 2 above. In addition, the Contractor may require that the auditor annualize revenues and expenditures for the purposes of applying OMB Circular A-133 and determining major Federal financial assistance programs. This information shall be disclosed in a note to the schedule of Federal awards.
 - D. All other provisions in the Audit Requirements section apply to Closeout Audits unless in conflict with the specific Closeout Audits requirements.

XIII. OTHER ASSURANCES

- 1. The Contractee shall notify the Contractor in writing, within thirty (30) days of the date payment was due of any past due liabilities to the Federal government, State government or their agents for income tax withholding, FICA, Workers' Compensation, Unemployment Compensation, garnishments or other employee related liabilities, Sales Tax, Income Tax of the Contractee, or other monies owed. The written notice shall include the amount(s) owed, the reason the monies are owed, the due date, the amount of any penalties or interest, known or estimated, the unit of government to which the monies are owed, the expected payment date and other related information.
- 2. The Contractee shall notify the Contractor, in writing, within thirty (30) days of the date payment was due, of any past due payment in excess of five hundred dollars (\$500), or when total past due liabilities to any one or more vendors exceed one thousand dollars (\$1000), related to the operation of this Contract Agreement for which the Contractor has reimbursed or will reimburse the Contractee. The written notice shall include the amount(s) owed, the reason the monies are owed, the due date, the amount of any penalties or interest, known or estimated, the vendor to which the monies are owed, the expected payment date and other related information. If the liability is in dispute, the written notice shall contain a discussion of facts related to the dispute and the information on steps being taken by the Contractee to resolve the dispute.
- 3. The Contractor may require written assurance at the time of entering into this Contract Agreement that the Contractee has in force and will maintain for the course of this Contract Agreement employee dishonesty bonding in a reasonable amount to be determined by the Contractor.
- 4. The Contractee certifies that neither the Contractee organization nor any of its principals are debarred, suspended, or proposed for debarment for federal financial assistance (e.g., General Services Administration's List of Parties Excluded from Federal Procurement and Non-

Procurement Programs). The Contractee further certifies that potential sub-recipients, contractors, or any of their principals are not debarred, suspended or proposed for debarment.

XIV. RECORDS

1. The Contractee shall maintain such records (in either written or electronic form) as required by State and Federal law and as required by program policies. Records shall be retained for no less than the retention period specified in law or policy. Records for periods that are under audit or subject to dispute or litigation must be retained until the audit/dispute/litigation, and any associated appeal periods, have ended.
2. The Contractee will allow inspection of records and programs, insofar as is permitted by State and Federal law, by representatives of the Contractor and its authorized agents, and Federal agencies, in order to confirm the Contractee's compliance with the specifications of this Agreement.
3. The Contractee agrees to retain and make available to the Contractor all program and fiscal records in accordance with the retention period specified in section 1 above. Upon the Contractor's request, at the expiration of the contract Agreement, the Contractee will transfer at no cost to the Contractor, records regarding the individual recipients who received services from the Contractee under this Agreement. The transfer of records includes transfer of any record, regardless of media, if that is the only method under which records were maintained.
4. The Contractee and its subcontractors shall comply with all state and federal confidentiality laws concerning the information in both the records it maintains and in any of the Contractor's records that the Contractee accesses to provide the services under this Agreement.

XV. AGREEMENT REVISIONS AND/OR TERMINATION

1. The Contractee agrees to renegotiate with the Contractor this Agreement or any part thereof in such circumstances as:
 - Increased or decreased volume of services as required by the Contractor;
 - Changes required by State and Federal law or regulations, or court action; or,
 - Increase or reduction in the monies available affecting the substance of this Agreement.Failure to agree to a renegotiated Agreement under these circumstances is cause for the Contractor to terminate this Agreement.
2. This Agreement can be terminated for any reason by a 30-day written notice by either party.
3. Revision of this Agreement may be made by mutual agreement. The revision will be effective only when the Contractor and Contractee attach an addendum or amendment to this Agreement which is signed by the authorized representatives of both parties, except in circumstances in which increased caseload or grant award amount, where such increase in funds is for the same purpose as originally agreed upon, the agreement may be amended by a unilateral amendment made by the Contractor.
4. The Contractee shall notify the Contractor whenever it is unable to provide the required quality or quantity of services required. Upon such notification, the Contractor shall determine whether such inability will require revision or termination of this Agreement.
5. If the Contractor finds it necessary to terminate this Agreement prior to the stated expiration date for reason other than non-performance by the Contractee, payment by the Contractor shall cease upon termination. Termination of the contract does not nullify the recoupment of funds by the Contractor per the negotiated Agreement associated with failure to attain program objectives or the failure to maintain quality criteria.

XVI. NON-COMPLIANCE, SANCTIONS AND REMEDIAL MEASURES

1. If the Contractor determines, after notice to the Contractee and opportunity to respond, that the Contractee:

- Is out of compliance with the program quality criteria as listed in Exhibit I, the Contractor may withhold part of all of the Contractee's funding at a level deemed appropriate by the Contractor as defined in paragraph 3 below.
- Has not attained the negotiated objective(s) as listed in Exhibit II, the Contractee shall refund the amount designated in Exhibit II under *Risk Profile*. If the total amount of the contract has not been reimbursed, the recoupment amount may be satisfied by withholding the remaining balance. If the recoupment amount is greater than the amount of the contract not reimbursed, the Contractee will shall refund the difference. Recoupments will be collected during the subsequent contract year via an adjustment (decrease) in the monthly payment. In such case where a Contractee is subject to recoupment and no longer holds a Contract Agreement with the Contractor, the Contractor will issue an invoice to be paid by the Contractee.

The Contractor may also, at its sole discretion, effectuate such refund by withholding money from future payments due the Contractee at any time during or after the contract period or may recover such funds by any other legal means.

2. Failure to comply with any part of this Agreement may be considered cause for revision, suspension or termination of this contract Agreement. Suspension includes withholding part or all of the payments that otherwise would be paid the Contractee under this Agreement, temporarily having others perform, and receive reimbursement for, the services to be provided under this Agreement and any other measure that suspends the Contractee's participation in the Agreement if the Contractor determines it is necessary to protect the interests of the state.
3. The Contractee shall provide written notice to the Contractor of all instances of non-compliance with the terms of program(s) quality criteria associated with this Agreement by itself or its subcontractors. Notice shall be given as soon as practicable but in no case later than 15 days after the Contractee became aware, or should have been aware, about the non-compliance. Non-Compliance can also be determined by the DPH regional office Contract Administrator through on-site inspection or desk review of documentation. The written notice shall include information on reason(s) for and effect(s) of the non-compliance. The Contractee shall provide the Contractor with a plan to correct the non-compliance and a timetable for the implementation of that plan to correct. The plan to correct must be accepted by the Contractor. If at the end of the implementation period, the Contractee is found to still be out of compliance, at its sole discretion, the Contractor may take whatever action it deems necessary to protect the interests of the state, including withholding part or all of the Contractee's funding, if it reasonably believes that the non-compliance will continuing or will reoccur.
4. The Contractee shall provide within 30 days after the end of the contract period (or by the date specified in Exhibit II) to the Contractor via the Contract Administrator, documentation as to its attainment or failure to attain the objectives agreed to in this contract. If the objective is not attained, the contractor will determine, at its sole discretion, the proportion of non-attainment and will recoup from the Contractee an amount as defined by the risk profile identified in Exhibit II. Any degree of non-attainment as judged by the sole discretion of the Contractor, shall be used by the Contractor in determining the conditions of any continuation of this Contract Agreement.
5. If the Contractor determines that non-compliance with other requirements (not stated in Exhibit I or Exhibit II) in this Agreement has occurred, or is occurring, it shall demand immediate correction of continuing non-compliance and it may impose whatever sanctions or remedial measures it deems necessary to protect the interests of the state. Such sanctions and measures may include termination of the Agreement, suspension of the Agreement as defined in paragraph 2 above, imposing additional reporting requirements and monitoring of subcontractors and any other measures it deems appropriate and necessary.
6. If audits are not submitted when due, the Contractor may take action pursuant to Section XII of this Contract Agreement.
7. If required program deliverables or other required information or reports, other than audits, are not submitted when due, the Contractor may withhold all payments that otherwise would be paid the Contractee under this Agreement until such time as the reports and information are submitted. In addition the Contractor can hold implementation of continuations of this contract pending submittal of this documentation.

XVI. DISPUTE RESOLUTION

If any dispute arises between the Contractor and Contractee under this Agreement, including the Contractor's finding of non-compliance and imposition of sanctions or remedial measures, the following process will be the exclusive administrative review.

1. The Contractor's and Contractee's Contract Administrators will attempt to resolve the dispute, in coordination with the Division of Public Health Regional Office Director and appropriate program staff within the Division.
2. If the dispute cannot be resolved by the Contract Administrators, the Contractee may ask for review by the Administrator of the Division of Public Health.
3. If the dispute is still not resolved, the Contractee may request a final review by the Secretary of the Department of Health and Family Services.

XVIII. INDEMNITY

The Contractor and Contractee agree they shall be responsible for any losses or expenses (including costs, damages, and attorney's fees) attributable to the acts or omissions of their officers, employees or agents.

XIX. SURETY BOND

The Contractor may require the Contractee to have a surety bond. The surety bond shall be in force for the period of the contract Agreement and shall be a reasonable amount to be determined by the Contractor.

XX. CONDITIONS OF THE PARTIES' OBLIGATIONS

1. This Agreement is contingent upon authorization of Wisconsin and United States law, and any material amendment or repeal of the same affecting relevant funding or authority of the Contractor shall serve to revise or terminate this Agreement, except as further agreed to by the parties hereto.
2. The Contractor and Contractee understand and agree that no clause, term or condition of this Agreement shall be construed to supersede the lawful powers or duties of either party.
3. It is understood and agreed that the entire Agreement between the parties is contained herein, except for those matters incorporated herein by reference, and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter thereof.

XXI. SPECIAL PROVISIONS

1. If the Contractor determines that the Contractee has exceeded the agreed upon program objective(s) to the level specified in Exhibit II, *Conditions for Incentive Payment*, the Contractee may be eligible to receive performance-based incentive funds if such funds are available as determined by the Contractor.
2. The Contractor may make these awards at its discretion based on the amount of available incentive funding and the terms of agreement with the Federal agency(s) as to the distribution of such incentive funding. The awards will be made during the subsequent contract year via an adjustment (increase) in the monthly payment. In the case where a Contractee is eligible for an incentive payment and no longer holds a Contract Agreement with the Contractor, the Contractor will make a separate payment to the Contractee. The incentive funds must be expended by the Contractee within the subsequent contract or calendar year and can not be diverted outside of the set of programs defined by this Contract Agreement or used for supplanting purposes.
3. To the extent allowed by law, all funding recouped by the Contractor from the Contractee shall be held by the Contractor in a fund designated for use within the program area associated with the recoupment action. These funds may be used for general funding of the program area to all

Contractees via formula in the next contract period, general funding of the program for all Contractees during the current contract period, or returned to the Federal/State funding agency of that program. These funds cannot be used by the Contractor for their own operational costs.

XXII. CONTRACT RENEWAL OPTIONS

This contract can be renewed on an annual basis for up to a [one-year extension](#) with the mutual Agreement of both the Contractor and Contractee. The objectives to be attained by program will be re-negotiated each year by the Contractor and Contractee as well as documentation deliverables and risk conditions.

XXIII. TIMELY CONTRACT SIGNING

This Contract Agreement becomes null and void if the time between the earlier dated signature and the later dated signature of the Contractee's and Contractor's Authorized Representative on this Agreement (or addendum) exceeds sixty (60) days inclusive of the two signature dates.

Contractee's Authorized Representative

Date

Contractor's Authorized Representative
John D. Chapin, Administrator, Division of Public Health
Department of Health & Family Services

Date

CARS PAYMENT INFORMATION

The information below is used by the Department's Bureau of Fiscal Services, CARS Unit to facilitate the processing and recording of payments made under this Contract Agreement.

Agency Name
Agency Number
Agency Type
Contract Period 1/1/03 – 12/31/03
Contract Amount
Agency Fiscal Year

Profile ID#	Amount	CFDA Number
Profile ID#	Amount	CFDA Number

Program Name
DPH Contract Number

EXHIBIT I

DIVISION OF PUBLIC HEALTH
CONTRACT AGREEMENT

PROGRAM QUALITY CRITERIA

EXHIBIT II

DIVISION OF PUBLIC HEALTH CONTRACT AGREEMENT

CONTRACT OBJECTIVE ADDENDUM